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Strengthening Indigenous Community Governance: A step towards advancing Reconciliation in Australia

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ABSTRACT

This paper presents research which is currently underway into the state of Indigenous community governance in Australia. The Indigenous Community Governance Project starts from the hypothesis that good governance of Indigenous communities is essential for effective self-determination and is a key ingredient to successful socio-economic development. It is also critically important to Indigenous people engaging successfully with governments at various levels. Currently there are many changes going on in the governance environment, but little is understood about what makes for culturally legitimate and effective indigenous governance and how to attain it. The Project, supported by the Centre for Aboriginal Economic Policy Research at ANU and Reconciliation Australia, has put together a team of researchers who are working with communities, their organisations and leaders, in order to understand how Indigenous governance operates at the local and regional levels. Preliminary work has highlighted a number of issues which will be the subject of more systematic research in coming months and years. Despite important local variations, it is apparent that all the participating community organisations are facing common systemic issues which are outlined.

INTRODUCTION: CONTEXT AND CHALLENGES FOR INDIGENOUS COMMUNITIES

Indigenous Australians face a number of major challenges, some of which arise from their poor socioeconomic conditions, while others are the result of successful agreement making over land and natural resources. How Indigenous communities organise themselves to address these challenges is emerging as a critical issue, and how the non-Indigenous governmental structures facilitate or frustrate those efforts are important components of Reconciliation.

Indigenous Australians continue to have the highest rates of poverty, unemployment, early mortality, and lowest levels of education in the country. Household and family incomes remain lower than average, and reliance on government transfers, including social security payments, remains high. Communities suffer from substantial historical infrastructure and funding gaps, and many Indigenous Australians live in substandard conditions, often in regions remote from essential services and subject to cost and capital disabilities. CAEPR research over the last ten years has documented this situation thoroughly (see for example, Altman, Biddle, and Hunter, 2004; Hunter, Kinfu and Taylor 2003). One of the most urgent tasks facing Indigenous leaders, their communities, and state and federal governments, is that of improving these social and economic conditions of Indigenous people.

At the same time, increasing numbers of Indigenous groups are negotiating resource development agreements, securing native title and land rights determinations, and developing successful enterprises. As a consequence they face the challenge of managing major land and natural resource endowments, and trying to generate sustainable local employment and economic development (Yu 1996, Yunupingu 2002, Waia, 2002, Altman and Cochrane 2003).

This unprecedented combination of enormous challenges and potential opportunities confronts Indigenous people and their leaders with a fundamental task: that of designing and exercising practically capable and culturally legitimate governing arrangements in their communities, and developing the sustained capacities to do so. Whilst reconciliation requires a great deal more from non-Indigenous Australians, the research outlined in this paper focuses primarily on how to enable Indigenous communities to strengthen their own capacities to exercise self-determination and achieve socio-economic development, essential ingredients in the goal of attaining some sort of equity and reconciliation with other Australians. But the research also lays out some equally stark challenges for governments in the roles they could best be playing to support Indigenous efforts. In other words, there is work to be done on both sides.

THE IMPORTANCE OF GOVERNANCE

Governance can be broadly defined as the process and structures (formal and informal) by which a group, community or society makes decisions; distributes and exercises authority and power, determines strategic goals, organises corporate and individual behaviour, develops institutional rules, and assigns responsibility for those matters. While *self-government* means having jurisdiction and mandated control over the members of a group, land and resources, *governance* is about having the structures, processes, legitimacy and institutional capacity in place in order to exercise that jurisdiction by way of sound decision-making and accountability. *Good governance* is essentially concerned with creating the conditions for ordered rule and collective action. It is about processes as much as outcomes (Sanders 2004, Smith 2004, Dodson and Smith 2003, Graham and Wilson 2004). Hence it is essentially an ethnocentric value-laden term—different cultures will have different ideas of what constitutes 'good' and 'bad' governance.

From this perspective, Indigenous self-determination and economic development are, at heart, governance issues. The effective representation of Indigenous Australians' basic human rights; the reduction of their individual and societal welfare dependence; the local administration and delivery of services, programs and finances; the management of human, land and cultural resources; and the negotiation of relationships with governments and other groups, are all fundamentally reliant upon having effective, legitimate community governance. Without governance capacity there may well be no sustained outcomes in any of these crucial areas, and economic opportunities will be lost.

Recognising this, in 2002 Reconciliation Australia (RA) organised a national Indigenous Community Governance Conference which brought together Indigenous leaders, community organisations, academics and government representatives to explore how to improve Indigenous community governance in Australia.¹ It drew on international research and Indigenous experience, particularly the findings of the Harvard Project on American Indian Economic Development. Research from this project suggests that in North American Indian contexts, the factors which were common to successful Indian communities were:

1. **'Practical self rule'**—by which they meant the genuine power and ability to control decisions relating to their own governance and development;
2. **'Capable governing institutions'**, which can effectively exercise self-determination, manage conflict, deal with corruption, quarantine business decisions from political ones, and generally manage their day to day affairs effectively; and
3. **'Cultural match'**, by which they mean that the organizations must be culturally legitimate. That is, their organizational form needs to reflect the cultural expectations of how authority should be exercised, and be aligned with the political culture of the group. This does not mean that only traditional structures can be used, rather that in new circumstances, new forms can be developed but these will only work if the authority they exercise has the support of the people they are intended to govern and serve (Cornell and Kalt, 2003).

1. See <www.reconciliationaustralia.org>.

Importantly, the Harvard research argues that the first of these three, practical self-rule, is a necessary but not sufficient condition for success. All three conditions are required, but as Cornell and Kalt say,

After years of research, we have yet to find a single case of an American Indian nation or Canadian First Nation demonstrating sustained, positive economic performance in which somebody other than the Indian nation itself is making the major decisions about governing institutions, governmental policy, development strategy, resource allocation and use, internal affairs and related matters. (Cornell and Kalt, 2003: 13).

The enormous Australian interest in this international research led to RA supporting a scoping study to develop a proposal for independent evidence-based research in Australia into Australian conditions and factors. This led to CAEPR and RA becoming core partners in the development of a proposal to the Australian Research Council for a national Indigenous Community Governance (ICG) Research Project, which was awarded in mid 2003. In late 2003 and early 2004, the ICG Project was further financially supported by the Northern Territory and West Australian Governments, and the Aboriginal and Torres Strait Islander Commission (ATSIC); the latter funding now being provided by the Department of Immigration, Multicultural and Indigenous Affairs (DIMIA). Thus 2004 was the first full year of the project's operation.

The Project has developed international and Australian collaborative research links including with the Harvard Project on American Indian Economic Development, and the Native Nations Institute for Leadership, Management and Policy (NNI) at the Udall Centre for Studies in Public Policy, University of Arizona, Tucson, US, the Centre for Anthropological Research at the University of Western Australia, the Desert Knowledge Cooperative Research Centre (DKCRC), researchers at Charles Darwin University (CDU) and the University of Western Australia (UWA), and the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS), including its Indigenous Facilitation and Mediation Project. Such linkages bring a range of expertise to the project and provide opportunities for the wider dissemination of its findings.

THE AUSTRALIAN GOVERNANCE CONTEXT

Under a policy of self-determination, Australian governments have, over the last thirty years, encouraged the incorporation of Indigenous community organisations for the conduct of their own community affairs and the delivery of government-funded services. The result has been an efflorescence of Indigenous community-based organisations in Australia. These include legal services, health services, child-care services, women's centres, art centres, sporting clubs, community stores, land-holding organisations, employment and economic development organisations, and general community councils and resource agencies (AIATSIS 1996). To some extent this growth has been the result of a large number of federal, state and territory government agencies promoting particular forms Indigenous corporate governance. Many of these agencies have sponsored and funded Indigenous community-based organisations through their varied programs, and there have been

notable successes. But organisational growth has also been the product of Indigenous agency and choice, as various quite small and localised groups of Indigenous people have sought to establish the autonomous conduct of their own community affairs and services through their incorporation into organisations (Sanders 2004, Finlayson, 2004).

Questions have long been raised regarding the effectiveness of the resulting highly dispersed and fragmented environment which now characterises Indigenous community governance. The activities of multiple community organisations (together with their various non-Indigenous government agency sponsors) often appear uncoordinated, and sometimes at odds with each other and their local membership. One result has been that Indigenous organizations now have to compete with each other for the government funding dollars. Calls are increasingly being made for a more unified, properly resourced and effective approach to Indigenous governance at the local level. This will require a more targeted and sustained commitment by governments, leaders and organisations to supporting the development of capacities and conditions that will be needed to underwrite effective, legitimate community governance, and may not be easily achieved (Wolfe, 1989). It also may not be the solution it is expected to be. As Sanders argues, there are also benefits of dispersed governance which should not be overlooked (Sanders 2004). The issue then is to identify and support Indigenous solutions that work, rather than impose external solutions which don't work.

Since the Project began, Indigenous Australians have been experiencing a rapidly changing national policy environment. This includes the demise of the national body ATSIC and the short-lived Aboriginal and Torres Strait Islander Services (ATSIS), establishment of a new National Indigenous Council with no representative mandate, new Federal Government service-delivery arrangements including the establishment of Government Indigenous Coordination Centres (GICCs) in regional centres responsible for implementing a whole of government approach to Indigenous policy, proposals for and development of 'shared responsibility agreements' directly with 'communities' at the local level, changes to the Community Development Employment Programme, open tendering of Aboriginal legal aid services in some states, and suggested alternative forms of Indigenous representation at the regional level. These changes are occurring while the status of self-determination is contested as an ongoing policy framework. Indeed, it no longer seems to be even mentioned in Federal Government policy documents. These significant changes have inevitably created enormous uncertainty in communities, and among Indigenous organisations and leaders.

The current national transformation in the 'governance environment', and in Indigenous governance arrangements at all levels, is occurring at a time when the concept of 'governance' is seen as a fast-track answer by many, or a fashionable buzz-word by others. But there is little Australian evidence base for, and understanding about, what the concept means, let alone how to achieve more effective and culturally legitimate governance arrangements in practice.

STUDYING INDIGENOUS COMMUNITY GOVERNANCE

The Project is seeking to identify and understand which Indigenous governance processes and structures work, which do not, and why. It has a focus on what creates and reinforces effectiveness, and on the differing views of what constitutes effectiveness. It aims to investigate the particular dimensions of community governance and then, through a comparative analysis of conditions across different types of community, to develop broadly relevant options for better-practice, and transferable lessons for generating and sustaining effective community governance.

It has adopted a *preliminary operational definition of governance* in which the practice of governance at the local level is deemed to be concerned with the dynamic processes, relationships, institutions and structures by which a group, community or society organise themselves to represent and negotiate their rights and interests, and make decisions about:

- how they are constituted as a group—i.e. who are 'they'? who is the 'self' in self-governance?
- how they manage their affairs and negotiate with outsiders;
- who has authority within their group, and over what;
- what their agreed rules are to ensure that authority is exercised properly;
- who enforces the decisions they make;
- how their decision-makers are held accountable; and
- what are the most effective arrangements for achieving their goals.

The principles and practice of governance are not culture-free. They are the product of cultural values, institutions, behaviours and motivations. In other words, there are cultural determinants of leadership, representation, accountability and what is judged to be 'successful', 'good', 'bad', 'effective' and 'ineffective' governance. Indigenous concepts and practices of governance are often at variance with those of non-Indigenous people.

A core focus of the Project is, therefore, to investigate the cultural forms and bases of Indigenous Australian systems of authority, law, leadership, legitimacy, representation, participation, accountability and decision-making. An important question to be investigated is whether the concept of 'cultural match' or 'fit' has relevance in Australia and, if so, how. Culture match is not about 'cultural appropriateness'. It refers to the degree of 'common ground' that can be achieved between the types of governing structures and procedures a group wants to develop, the culturally-based standards and values of its members, and the external standards and expectations of capable, effective governance:

It is not an appeal to tradition; it is an appeal for *legitimacy* ... In some cases, this may mean Indigenous communities have to rethink their ideas of how to govern and invent new ways that better meet their needs ... What matters is not that things be done in the old ways. It is that things be done in ways—old or new—that win the support, participation and trust of the people, and can get things done. Some will be old. Some will be new. (Cornell and Begay 2003).

A related hypothesis is that the more a governing body finds some acceptable 'fit' or 'match' in these matters, the more it will secure the ongoing mandate of its members and external stakeholders and, hence, the more effective it should be.

The Project is investigating Indigenous innovations in designing cultural match, their effectiveness, and the extent to which their efforts are either facilitated or impeded by internal conditions, and by government policy and service delivery frameworks. In Australia the important question is whether culture match or common ground can be designed so that it achieves a match, rather than a mismatch, so that it creates local legitimacy and capability rather than dysfunction.

FOCUSING ON COMMUNITY GOVERNANCE

The Project team is working with communities, their organisations and leaders, in order to understand how Indigenous governance operates at the local and regional levels. It is not concerned with issues of national Indigenous representation, important though they are.

The term community has many different meanings for different people. In broad terms, the Project defines a *community* as a network of people and organisations linked together by a web of personal relationships, cultural and political connections and identities, networks of support, traditions and institutions, shared socioeconomic conditions or common understandings and interests. In other words, a community is not simply a discrete physically located settlement. The term 'community' can refer to:

1. *A discrete geographic location* comprising, for example, a spatial territory or residential location such as a neighbourhood, city, rural town or district, an outstation, or discrete remote settlement.
2. *A 'community of interest' or 'community of identity'* comprising a network of people or organisations whose membership might be cultural or historical rather than geographic; for example, a clan, tribal group or urban group that is residentially dispersed; a voluntary collaboration or union; or a set of organisations which together represent the interests of a group of people who may be residentially dispersed but nevertheless share a collective identity; or a set of linked outstations which are located across a region.
3. *A political or administrative community*, for example, a state, authority or a federation; a service population or electoral ward.

From this perspective, communities are more than just residential locations, interpersonal networks, or collective identities. They take on social patterns, roles, functions and organisational structure (Loomis 2002), and assume particular form through interaction with their constituent populations, other communities and the surrounding environment (political, economic and cultural). Communities can be composed of diverse groups, with competing interests and rights or they may be reasonably homogeneous.

The '*cultural geography of governance*' refers to these wider sociological aspects of 'community'. This term has been developed by the Project in order to widen our research focus beyond the obvious geographic boundaries of discrete communities, to the cultural units and more permeable social collectivities which are often seen by Indigenous people to be the more legitimate basis for the 'self' in 'self-governance'. Some of these collectivities may have a land base but be residentially dispersed; others are 'communities of identity' who live as a scattered minority amongst non-Indigenous people, and who have no legally recognised or available land base. These cultural and social forms of community are evident across remote, rural and urban locations.

According to Community Housing and Infrastructure Needs Survey (CHINS) data, there are approximately 1,300 discrete Indigenous communities in Australia. Of these, 80 are located within larger non-Indigenous population centres and the remainder are geographically separate from other population centres. Only 149 have a population of 200 people or more (there are only 30 discrete Indigenous communities in Australia with populations over 500 people). The majority—close to 80 per cent—have populations of less than 50 people. Approximately one-third of Indigenous Australians live in remote or very remote locations in these discrete communities. The remainder are scattered across urban and metropolitan locations forming Indigenous 'communities of interest' (see Peters 1999: 412). These urbanised and regionalised 'communities of interest' retain strong cultural and historical identities.

Arguments for collective self-governance are often felt to be most persuasive where Indigenous people are concentrated geographically (Hawkes 2001: 156). But these situations do not exhaust the realities and possibilities of governance in Australia. Other types of Indigenous 'communities of interest and identity' and cultural communities have demonstrated the desire for devolved jurisdictions and greater self-rule based on a governing body representing a membership which is not defined by residence in one location.

THE CONTEXT OF COMMUNITY GOVERNANCE

Community governance does not exist in isolation. It is situated within a wider, inter-connected 'governance environment' that spreads across local, regional, state, territory and national levels. It comprises government and private sector agencies, other Indigenous organisations, non-government organisations (NGOs), institutional forms, networks of relationships, as well as overlapping statutory, policy and jurisdictional frameworks. And it has inter-cultural dimensions operating across all these layers. It operates as:

- a field of inter-connected (and disconnected) players;
- networks of relationships, rights and interests;
- layered institutions where decision-making, differential power, governing functions and economic activities are dispersed among diverse entities;
- institutional spheres (state, market and customary) which have an intimate presence in communities; and is marked by
- different languages of governance and competing expectations.

This wider environment has a major, ongoing impact on the role and effectiveness of Indigenous organizations, and will be the subject of research. These two layers of environments, the Indigenous and the non-Indigenous, are not independent of each other. Aboriginal organizations are themselves expressions of the interaction between indigenous values and certain non-indigenous processes, forms and expectations derived from the dominant society (Martin 2003). And the 'state' is evident across all layers, not simply in the metropolitan office or state government centralized policies.

The 'practice of governance' is, at its heart, to do with issues of power, jurisdiction, authority and choice. These have both Indigenous and non-Indigenous expressions. For Indigenous communities and their organisations, questions arise about the scope of their power in different spheres of life, their capacity to exercise that power, and how their governance arrangements are shaped by the exercise of power within the wider governance environment. This more systemic, encompassing concept of 'governance environment' will be a central focus for Project research and analysis.

THE CASE STUDY APPROACH

A case study approach has been adopted which will involve project researchers carrying out periods of fieldwork with the same communities over a two to three year period. Thirteen case studies are expected to be undertaken (See Appendix A). There are a number of advantages in the case study approach. It enables researchers to focus on the micro-dimensions of governance, on its social and cultural processes, and on its actual practice, and thereby build a deeper understanding of a particular instance of governance (GAO 1990: 79). A case study conducted over the longer-term

also provides greater assurance as to which factors have more traction than others for building effective governance. Important conditions, consequences and causal relationships are less likely to be overlooked when they have been widely canvassed with different groups and interests.

The case studies attempt to incorporate a range of communities that are representative of particular political, economic, statutory and cultural conditions, and important governance variations. Another variable considered in this sampling has been to include communities from remote, rural and urban locations in the sample. Communities participating in the research are representative of an important instance of these variables; some of them exhibit multiple characteristics. For example, case studies include:

- an urban 'community of identity';
- communities of different population size;
- communities operating in a 'hub and spokes' or regionally-linked relationship;
- communities which are more and less culturally homogeneous;
- where different land-tenures, and resource rights and interests are present;
- communities which are representative of a 'special governance interest' such as local government, dispersed regionalism;
- communities where organisations are long-established, or represent an emerging governance model;
- where 'extreme' outcomes are evident; for example both best-case successes, and worst-case practice; and
- examples where the impact of the wider governance environment, and government policy and service delivery are particularly evident.

In each of these locations, the Project is systematically investigating:

1. the diverse *conditions* of community governance—including their different cultural, political, social, economic, demographic, statutory, policy and historical contexts;
2. the specific *dimensions* of community governance arrangements on the ground—the processes, relationships, structures, leadership, powers, capabilities, legitimacy, resources and rights;
3. the heterogeneous *institutions* of community governance that have been established and are emerging;
4. the *culturally-based foundations* of traditional Indigenous systems of governance (their institutions, processes, relationships, concepts and so on), and their role in contemporary governing arrangements;

5. the kinds of *governance resources* (knowledge, powers, skills, technology and capabilities) that are either missing or under-developed in communities, or are 'assets' that are utilised, and how those resources are managed;
6. the *scope of control and power*, including the forms of authority, power and in/dependence that governing bodies have to make and exercise laws, resolve disputes, carry on public administration and community development, and assert and exercise choice;
7. the *effectiveness* of governance arrangements in meeting community objectives (political, cultural, social and economic etc.), and the 'costs' to communities of 'poor' or 'effective' governance; including the issue of how effectiveness can be evaluated, and what might constitute valid and meaningful measures of governance performance;
8. whether there is a causal relationship (and of what kind) between the effectiveness of governance and the extent to which *economic development* outcomes are being generated;
9. the nature and impact of the wider '*governance environments*'—at regional, state/territory and national levels—on community and regional governance;
10. the effectiveness of *government policy and service delivery frameworks* for supporting community governance building; and
11. the *transferable lessons and better-practice examples* that might inform Indigenous communities, organisations, leaders and policy-makers in their efforts to build and sustain Indigenous governance.

MAKING THE RESEARCH COUNT

The Project is concerned to make its research count in Indigenous communities by using a participatory community-based approach, and by directly informing the work of Indigenous organisations, leaders, and government agencies in their practical efforts to support and build better governance. A Project Advisory Committee, comprising Indigenous leaders and other key stakeholders, will play an important role in this process.

In communities, Project researchers are working alongside local Indigenous leaders and research collaborators. With expertise in local culture, social relationships, kin systems, language, local history and politics, Indigenous research collaborators are making a substantial contribution to the research process, and are offered training in research methods, as desired.

The Project will also undertake a comparative analysis of research findings from the 13 case studies in order to generate broadly relevant principles of effective governance: what works and what are the transferable lessons for other communities and organisations. These findings will be made progressively available in accessible formats and through workshops, community meetings and

briefings, to assist other Indigenous leaders, communities and their governing bodies, Reconciliation Australia, State and Federal Governments, and other stakeholders in dealing with the fundamental issues of community governance, self-determination and sustainable economic development.

PRELIMINARY FINDINGS

Governance as practiced in Indigenous communities and groups is dynamic, evolving and responsive to different local conditions. Australian Indigenous community governance invariably requires a process of building consensus amongst different or dispersed groups, and a focus on building capable control in difficult conditions. A critical early foundation-stone for organisations appears to be the need for ongoing internal review and readjustment of their governance arrangements, in order to keep pace with changing conditions in their governance environment. Governance has to be worked at—by *all* parties.

The term 'governance' is now being used within Australia in a multitude of different ways, which creates confusion. We need to start being more specific about the range of different meanings when we use the term. 'Good' or 'effective governance' is not a fixed end-point, and means different things to different people.

Many Indigenous communities and groups around the country are working to develop better governance practice, and are actively looking to governments and the private sector to assist them in these efforts. Project researchers have identified several dimensions of the external governance environment and the internal governance arrangements that appear to have significant impact on the effectiveness of community governance and desired local outcomes.

The policy, service delivery and statutory environment: exogenous conditions

The changing political and policy climate, prevailing jurisdictional arrangements and government funding frameworks, as well as bureaucratic staff turnover, have major impacts on the scope and exercise of Indigenous governance at the community level. Few government departments appear to have effective mechanisms for managing conflicts that arise with Indigenous organisations, or bridging the gap between the government's idea of the way the 'community world' should be, and the way it actually is. There is a lack of capacity within government for ongoing evaluation of their policy practice and service outcomes in the area of Indigenous governance.

Governments' lack of stable, adequate resourcing, and workable mechanisms for delivering streamlined funding are having significant negative impacts on the viability of some governing organisations.

The Indigenous cultural environment: endogenous conditions

There are active Indigenous traditions and practices of governance in communities but while these potentially generate the building blocks of self-governance and legitimacy, they can also generate exclusion and conflict between groups—especially in situations where alternative governance arrangements are being proposed.

There is a cultural geography of governance which determines the construction of collective identities and relevant boundaries for group governance. Some Indigenous governing bodies are trying to translate internal issues of autonomy and relatedness into corporate solutions; manage the impact of mobility on their corporate identity; and balance and represent the relative rights and interests of their members.

However, not many local organisations appear to have effective mechanisms for managing or resolving internal conflicts between Indigenous groups and members about these matters. And like governments, there appears to be a lack of regular evaluation by many organisations of their progress and outcomes.

The scope of control and power

In comparison to some other countries, Indigenous governance in Australia is constrained in the extent and scope of its jurisdictional and statutory powers. The forms of authority, power and choice that governing bodies possess to make laws, resolve disputes and carry on public administration and community development are critical factors in their establishment of effective governance.

But even where organisations have been able to build significant powers, some do not have the capacity to exercise that power effectively. As a result they are having problems in their daily operation and in achieving their goals.

Institutional form and structures

Some organisations are experiencing difficulties in developing and implementing workable 'rules of the game' for how they operate. Others appear to be doing this very effectively. A key focus for research in 2005 will be to investigate what factors contribute to this difference; and what institutional values are being developed to reinforce more effective governance.

Preliminary research suggests that these issues are not simply subject to internal culturally-based factors; they are substantially determined by the regulatory, legal, corporate and financial conditions placed upon organisations by other players in the wider governance environment. As a result, competing expectations arise which, if not addressed, can immobilise Indigenous and government initiative, and derail organisations from their core business. Perhaps government solutions need a reconciliation between these competing expectations and values. Reconciliation may be another word for culture match.

Governance process and practice

Indigenous governance in Australia is as much about process and practice as it is about getting the right structure to do the job at hand. The design of sound financial management and administrative systems, including information technology, and demonstrated strategic planning, are fundamental components of effective governance. There is considerable variation in the extent to which organisations are able to establish and maintain these fundamental support systems.

There also appear to be funding shortfalls and poor government coordination of governance training, education and mentoring for community organisations. The building of practical governance capability requires the regular delivery and reinforcement of flexible, customised training, on the ground, where it is needed. The documented major gaps in provision of relevant training for governance are going to severely impede progress.

As a consequence, many Indigenous organisations take on an enormous range of roles and responsibilities. They are responding to overwhelming unmet local needs, and to the imperative to hunt for grant funding (which in turn creates additional conditions and requirements). However, the organisations that achieve outcomes appear to be those that clearly define their core objectives, stick to them, and then routinely and critically evaluate their progress.

Governance practices and processes that change rapidly or erratically, especially in terms of frequent turnover of staff, and leadership conflict or turnover, induce uncertainty. This is particularly damaging to organisations' ability to plan for the future and systematically address economic development issues.

Indigenous organisations face complex accountability demands. Those organisations that appear to be faring better in governance arrangements are those that have an eye to both internal and external accountability, and manage the different values and requirements involved in each. Little is known about how organisations are achieving this balancing process.

Leadership, representation and voice

A critical early issue identified is the urgent need for a focus on what constitutes 'leadership' amongst Indigenous groups, and on leadership development, mentoring and training at the local level. The issue of succession has come to the fore in some reputable community organisations which are looking to develop formal pathways and mentoring for the next generation of emerging leaders.

Research in strong Indigenous organisations suggests that legitimacy and stability encourage participation and trust—amongst members, staff and within governing boards. A common form of Indigenous withdrawal of trust is seen in people's refusal to participate in local governance processes, or to feel little sense of personal responsibility for addressing governance problems.

Legitimacy and effectiveness

For governing institutions to be effective, they must be legitimate in the eyes of the people they serve. They must wield power and authority in conformity to Indigenous values, shared beliefs, and agreed rules. But to gain wider credibility, these arrangements also have to be seen to be (and be) legitimate in the eyes of external players in the governance environment. Many Indigenous community organisations are experiencing considerable difficulty in finding the form of such a 'two-way' legitimacy.

Preliminary research suggests that there are some aspects of Indigenous cultures that are not amenable to, or easily integrated into the 'culture' of corporate management and business. And that Western democratic principles of representation, with the pre-eminence given to the individual over the collectivity, and notions of 'one-person, one-vote', do not always resonate easily with Indigenous social organisation and concepts.

The organisations which are succeeding in their commercial, service delivery and other functions appear to be those which are actively trying to find a workable 'two-way' form of legitimacy for both their members and external parties. They are doing so by selectively drawing on both Indigenous and non-Indigenous solutions and processes. That is, taking on what works best, regardless of where it comes from.

In 2005, the research will focus on what might constitute valid and meaningful measures of institutional performance; and what are the differences between internal and external perceptions of effectiveness and legitimacy.

Decision-making and conflict resolution

Strong organisations and leaders help solve problems. Traditional principles of Indigenous governance involve notions of stewardship, guardianship, and responsibility for past and future generations. The same notions appear to continue to inform Indigenous issues of what is good or proper decision-making.

Some organisations are attempting to translate these culturally-based guiding principles into current decision-making processes, codes of conduct, and conflict resolution procedures. Others are experimenting with a mix of local culturally-based and external mechanisms. These innovations need to be internally evaluated by organisations to see if they are delivering desired results. Unfortunately, it appears that too few organisations have agreed and enforced rules for impartial decision-making or effective dispute resolution in place.

Governance and economic development

The Project has hypothesised that better governance should lead to better economic development outcomes. The economic system of most Indigenous Australian communities has been referred to as a hybrid—a mix of customary subsistence production, government funds and welfare transfers, private sector resource development, and the market economy. Yet many Indigenous community organisations have a very uncertain knowledge about, little control over, or active engagement with, important local elements of the mixed economies in which they operate.

Those organisations which appear to be making development headway are the ones which know their core economic business and know how to realistically plan for identified outcomes which they have some control over. But even strong organisations appear to be vulnerable to rapidly changing government policy and program environments, and to inefficient government funding cycles and allocation mechanisms.

CONCLUSION

It is too soon to be definitive about the factors which contribute to effective and legitimate community governance in Indigenous communities, but the findings outlined above indicate that there is a complex web of issues which need to be addressed if Indigenous governance arrangements are to be really effective in addressing the challenges outlined at the start of this paper. Simplistic solutions to the complexities of these challenges are unlikely to yield sustainable results.

Self-determination must be part of both process and goal, enabling people to make informed choices about what governance solutions will work for them. These solutions will need to be both culturally legitimate and practically capable. With those twin characteristics Indigenous governance will advance reconciliation because it will be an act of internal Indigenous reconciliation, that is providing Indigenous people with credible, effective governance in the contemporary world that works in a way they respect and support, and external reconciliation whereby governments have to recognise and engage with Indigenous solutions that work.

APPENDIX A

The Project currently anticipates working with organisations in the following 'communities' (more than one organization may be studied in many cases). Formal approval of the research is still pending in some cases.

1. Wadeye (NT)—large remote community and outstations; Aboriginal NT Land Trust; a regional governance structure; (two studies)
2. Anmatjerre (NT)—small remote community and outlying camps; some Aboriginal NT Land Trust; Indigenous and non-Indigenous governance issues;
3. Yirrkala (NT)—decentralised homeland associations, large hub community and nearby town of Nhulunbuy; Aboriginal NT Land Trust;
4. Arnhem Land (NT)—large remote community; multiple influential organisations; large regional network of outstations; Aboriginal NT Land Trust; governance training;
5. Fitzroy Crossing (WA)—remote town; influential development organisations; culturally heterogeneous;
6. Ngoongar (WA)—metropolitan and rural town-based population; regionally dispersed community of identity; emerging regionalised governance arrangements;
7. Wiluna (WA)—remote community; shire-based governance; mining, service delivery and community development issues;
8. Coen (QLD)—rural town; shire council arrangements; developing Indigenous organisational bases for governance;
9. Newcastle (NSW)—metropolitan and regionally networked population; governance for major economic development initiatives;
10. Torres Strait Islands—Regional Authority governance; culturally-based island organisations; major cultural grouping; and
11. WA State, Northern Territory and Federal Government 'policy and administrative communities' (two studies).

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